

HIGHLIGHTS OF 1997

1997 brought dramatic increases in calls received and changes to Consumer Services' processes. The number of complaints/education calls doubled due to upgrades in the telephone system and computer system.

During January a new telephone system was installed, providing automatic call distribution to better utilize our toll-free number. This system allows customers to speak to the first available English or Spanish-speaking counselor located in either the Springfield or Chicago office. In addition, CSD's computerized reporting and complaint tracking system (ACTS) was upgraded in June. This change permits counselors to enter complaints directly into the system during their conversation with consumers to assure all details are documented, allows urgent complaints to be electronically faxed to utilities in a timely manner, and provides a better mechanism for tracking issues.

The above two enhancements have increased CSD's efficiency and productivity thereby allowing for an opportunity to serve more consumers. In fact, the nearly 100% increase of consumers served this year has been an incredible record that has greatly benefited consumers in Illinois. Although the new systems have assisted counselors in expanding efficiencies, it has been the counselors' commitment to quality work that has been extraordinary.

Along with changes in the telecommunications industry has come unsolicited services and changes in service providers. These actions are known as "cramming" and "slamming", respectively. Cramming complaints have increased dramatically this year and slamming continues to be a significant problem.

Consumer Services has worked closely with the Attorney General's Consumer Section to expedite complaints and assure appropriate action will be taken. Several lawsuits against slamming violators have been filed this past year.

Staff is challenged to keep up with new services, offerings and problems that accompany these services. While consumers are benefiting from new services, they also must become more informed to minimize problems associated with unfamiliar services.

This past year staff has worked closely with telephone companies to revise the Lifeline and Link Up programs to comport with the FCC's new requirements. These programs assist low income customers to install and maintain telephone service.

Company vs. Company complaints have been filed with Consumer Services as informal complaints. These complaints have been successfully mediated via

staff as mediators with the assistance of technical experts from the Telecommunications Division and the Energy Division.

The Pay Per Call Rule has been revised to allow abbreviated dialing codes to be used. This revision became effective January 1, 1998.

In March, Consumer Services hosted a workshop to discuss consumer protection issues prior to electric restructuring legislation. Utilities, community groups and other state agencies were well represented at this workshop. Many of the issues that were discussed were ultimately included in the final legislation.

The first phase of electronic exchange of complaint information with utilities has begun. Ameritech has piloted this program and began implementation in 1998. This will allow a much greater efficiency of sending, receiving and recording of investigative complaints. Hopefully, additional utility companies will participate this coming year.

Implementation of the electric industry restructuring legislation will be a major focus during 1998. Our largest undertaking will be the education program to inform consumers of electric choice. The first campaign will be for small businesses to understand their choices beginning in October 1999.

In addition, the telephone regulation concerning credit, billing and termination will be rewritten to accommodate the changes in the telephone industry while maintaining basic consumer protections.

1997 ANNUAL REPORT

This report provides an overview of the programs and activities that were undertaken, completed, and implemented by the 24 member Staff of the Illinois Commerce Commission's Consumer Services Division (CSD) during 1997. It includes such information as a breakdown of the types of complaints that were received and how they were resolved; new approaches to resolving complaints; a look at CSD's involvement with programs such as the Universal Telephone Service Assistance Program (UTSAP), 9-1-1, the TTY distribution program and the telecommunications relay service (TRS); and some of the on-going projects in which we are involved.

I hope this report will serve as a guide to understand the needs and concerns of utility consumers in Illinois and the way in which the Consumer Services Division is responding to those needs.

Debi Barr-Holquist
Manager

COMPLAINT ACTIVITY

The consumer counselors respond to utility consumers' complaints or questions regarding utility service. To serve its consumer clients, the Consumer Services Division (CSD) has offices in Springfield and Chicago which receive consumer complaints from 8:30 am to 5:00 pm., Monday through Friday.

The complaint process is comprised of two levels—informal and formal. Through the informal complaint process, a consumer counselor attempts to answer consumers' questions or resolve their complaints. Through the formal complaint process, the consumer and the utility present their cases before a hearing examiner who makes a recommendation to the Commissioners for their consideration. A mediation process has also been implemented to expand the informal complaint process for customers of Ameritech, Commonwealth Edison and Peoples Gas (see page 10).

In response to the need for an accurate and readily available record of complaints reported to the Consumer Services Division, a computerized complaint tracking system was designed. From its inception in 1983, the Automated Complaint Tracking System (ACTS) has been a valuable asset. Consumer complaints can be identified not only in such general categories as billing, credit and deposits, rates, service, termination; they can also be identified in more specific terms. In June of 1997, CSD'S ACTS was converted from a main frame application to a local area network (LAN) application. In conjunction with this conversion, CSD redesigned its tracking and coding system making numerous improvements.

Prior to June 1997, the informal complaint process was divided into two basic types of complaints—short-form and long-form complaints. Typically, short-form complaints were those which could be answered during the initial contact and long-form complaints were those which required research or investigation, usually needing contact with the customer's utility company. Limited information was collected for short form complaints, while information about the nature and outcome of long-form complaints was tracked. Overall, this limited the statistical information that could be retrieved through the reporting function. Management used the conversion of ACTS to the LAN as an opportunity to improve the method of entry and to revise the codes used by counselors in capturing information about individual complaints and inquiries.

Since June 1997, closing and resolution coding is entered by system users for all complaints. This change has eliminated the distinction between short-form and long-form complaints. Readers should keep in mind that

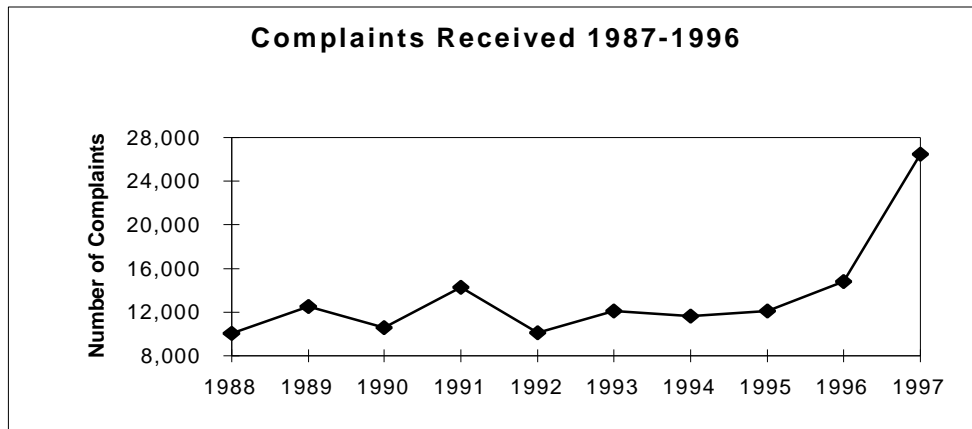
some of the statistical information in this annual report may be affected by mid-year changes in coding. In addition to changes in entry, reports from ACTS were expanded and made easier to generate. We recognize that our assistance benefits individual customers on a case-by-case basis. However, we believe that if we can identify trends and problems and work with utilities to address issues, many consumers will benefit—even those who have not contacted us directly. To that end we are expanding our use of ACTS reporting.

Informal Complaints

The informal complaint process is divided into two basic types of complaints—consumer education (formerly known as short-form) and investigative complaints (formerly known as long-form). Consumer education calls typically entail questions or comments that require no further investigation beyond the consumer's initial phone call. Investigative complaints require an investigation of the consumer's problem, often necessitating contact with the utility to review the appropriate records or policy procedures. If necessary, the counselor will attempt to resolve the problem through discussion with the utility representative. If a resolution is not reached through the informal complaint process, the consumer may opt to proceed to either the mediation process, when that option is available, or to the formal complaint process.

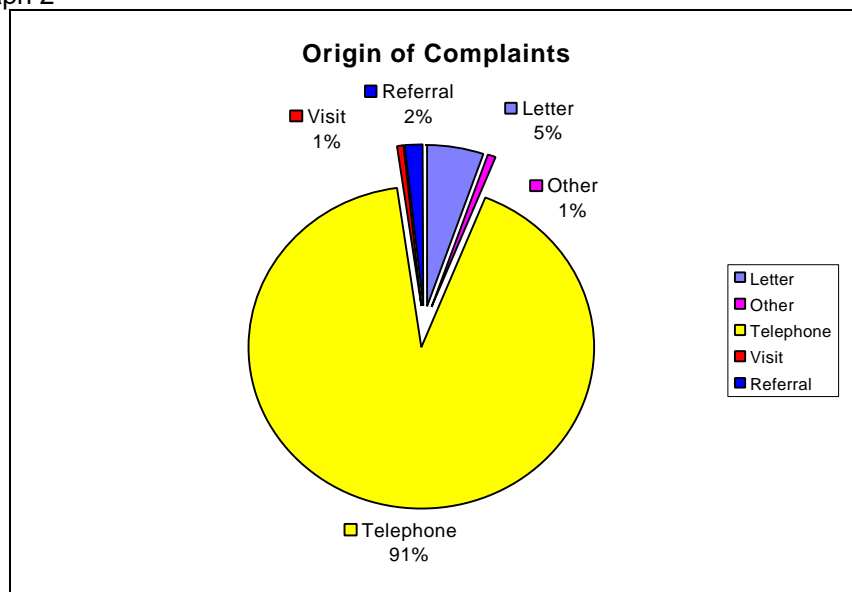
During 1997, the staff received 26,448 inquiries or complaints. Graph 1 shows the trend in the number of complaints that the Consumer Services Division has received from 1988 through 1997. Prior to 1996 the Division averaged about 12,000 complaints each year. Increased staffing in 1996 allowed us to respond to nearly 15,000 complaints; the higher level of complaints is generally attributed to the unauthorized switching of long distance carriers. The dramatic increased level of complaints in 1997 is the result of our improved capability to accept and process complaints, the dedication of our Staff, as well as the increased level of consumers' need for information and assistance.

Graph 1



As a part of our ongoing cooperation with the Consumer Protection Division of the Office of the Attorney General we provide that office with information concerning complaints related to the unauthorized switching of a long-distance carrier, known as “slamming” and the unauthorized addition of services, known as “cramming.” We believe that consumers benefit from our exchange of information as the Attorney General pursues remedies resulting from companies’ fraudulent practices.

Graph 2



There were 26,448 informal complaint cases opened during 1997. Most informal complaints (91%) begin with a telephone call to our toll-free number. We received 1409 letters mailed directly to the Consumer Services Division,

but many of the complaints which are referred to us by other Divisions and those coming through the legislative route are also in letter form. While some customers prefer to visit us face to face, this is not the norm. Over the last several years, the Division has opened new avenues, as noted below, to resolve customer inquiries in the most direct method possible.

3 Way Calling

In an effort to improve the resolution of customer inquiries CSD staff initiated a process to interface directly with the company while the consumer is still on the phone. This dramatically decreases the amount of time and paperwork needed to complete the task. Beginning as a pilot idea in 1996, this concept is now used by the following eleven utilities: Ameritech, Central Illinois Light Company, Ameren CIPS, Citizens Utilities, Commonwealth Edison, General Telephone, Illinois Power, Nicor Gas, MCI, Peoples Gas, and Sprint CenTel. Certain types of complaints lend themselves to this type of resolution. Complaints are limited to payment arrangements, payment extensions, final notices, repairs, medical certificates and billing issues that can be resolved the same day. During 1997, 6,246 complaints were handled in this manner.

Hot-line Referrals

CSD has arranged with three major utilities to provide a "hot-line" to which CSD staff refers certain customers whom they believe may be helped by discussing their complaint with high level utility personnel. These referrals are not included in any of our statistics. According to these utilities, Commonwealth Edison, Ameritech and General Telephone, they received 2,240 hot-line calls, a significant decrease from the 12,620 reported in 1996. However, the 1996 figure was abnormally high due to a difficulty faced by one of the companies.

"Company v Company"

CSD has been successful in the resolution of complaints between utilities (or marketers working on behalf of customers), referred to as "company v company" complaints. The changing environment in the utility industry, the advent of competition, has signaled the need for a venue in which no-fault compromises can be achieved, benefiting both the parties involved in the dispute and the consumers they serve. All parties benefit when a complaint can be resolved informally, avoiding the need for a formal complaint. Parties, who have taken part in the process, have expressed satisfaction with both the procedure and the results. During 1997, Staff resolved 2 complaints in this manner.

Consumer Services Online

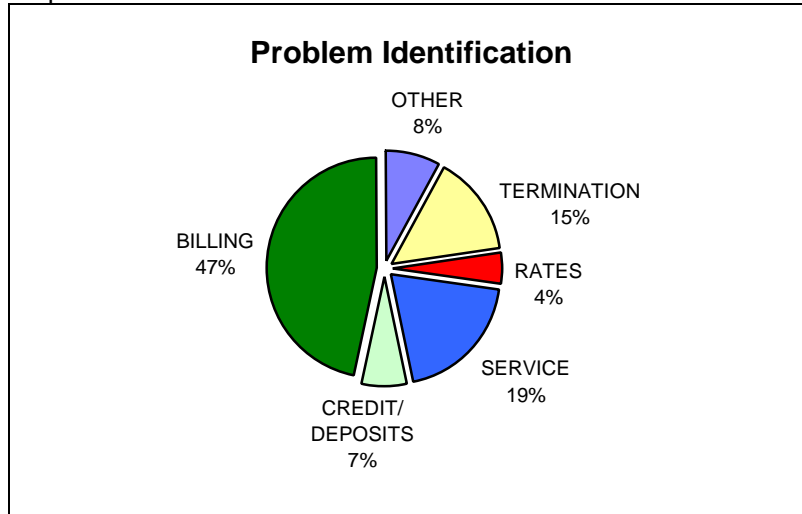
The Commission's homepage on the World Wide Web is steadily improving as more information is added. Located in tandem with consumer

information summaries of important sections of Illinois Administrative Codes, the CSD account received contacts from consumers concerned with a wide variety of non-emergency issues (site instructions advise that consumers with pressing matters concerning their service contact CSD immediately by telephone at 1-800-524-0795). Contact topics ranged from questions about slamming, caller-id blocking, new competitors to the local phone market and inquiries about deposits for service to name a few. Forty-one complaints were received in this manner. The Commission's address is www.state.il.us/icc.

Complaint Categories

Investigative complaints are categorized by problem type. These categories include billing, credit/deposit, rates, service, termination, and other. This chart illustrates that 47% of the investigative complaints received related to the consumer's bill. CSD opened significantly fewer complaints in the other categories. Graph 3 presents the number of complaints that were received during 1997 in each problem identification category.

Graph 3



In a review of those 1997 complaints taken since June 1997, the following chart indicates the issues about which most complaints are made. To correlate this information with that found in Graph 3, the complaint issues are further defined with the Problem Identification Code in “()”.

TOP 10 COMPLAINTS	
Seeking reconnection (Termination)	2017
Accuracy of bill - usage/consumption (Billing)	1118
Need payment arrangements (Billing)	1077
Conduct of Company Personnel/"slamming"	968
Accuracy of bill - responsibility for account (Billing)	803
Disputed bill rendered by other company (Billing)	760
Bill payment - other payment agreement (Billing)	736
Accuracy of bill - other (Billing)	669
Other (Other)	641
Accuracy of bill - billed for service/feature not ordered "cramming" (Billing)	579

Cases Closed During 1997

CSD closed 26,312 cases during 1997. There were 8,575 consumer education cases closed and 17,737 investigative cases closed. The table below reveals how the investigative informal cases were resolved and the number of cases that CSD closed within each resolution category.

MEANS OF RESOLVING COMPLAINTS	
Information or explanation provided	9,150
Company compromised to settle	2,578
Referral to other agency or Division	1,772
Company agrees to correct mistake or error	1,269
Complaint dismissed; groundless	898
Untimely filing	453
ICC had no jurisdiction	311
Could not reach customer	233
CSD received carbon copy response	179
Action initiated to correct problem	178
Miscellaneous	173
Meter tested; billing correct	142
Duplicate action by another counselor	126
Formal hearing sought	106
Pending long term utility action	58
Customer requested withdrawal of complaint	53
Utility/COPTS vendor unresponsive	30
Repeated Complaint	25
Company does not have a certificate	3
TOTAL	17,737

Mediation

The Mediation program is available to consumers who are dissatisfied with the results of an informal complaint against either Ameritech, Commonwealth Edison, or Peoples Gas. Mediation is an informal session, whereby, the customer and the utility meet to further discuss, clarify, and provide documentation to support their contentions. The Center for Conflict Resolution (CCR), a non-profit organization based in Chicago, agreed to mediate these cases at no charge to the consumer, the utility, or the ICC. The mediation takes place in Chicago and therefore this option is necessarily limited to Chicago-area customers.

Between January 1, 1997, and December 31, 1997, a total of 13 complaints were referred to the Staff coordinator for mediation. For the following reasons, only 4 have proceeded to mediation.

Complaint settled	3
Company refused to mediate	2
Customer refused to meditate	4
Unable to contact customer	0
TOTAL	9

OUTCOME	NUMBER
Agreement	1
No agreement	2
Unable to hold session	1
TOTAL	4

Mediation sessions were held in 3 of the 4 cases. As shown in the table above, 1 of the 3 cases actually mediated resulted in agreement, a resolution rate of 33.3%. The average closure time for those cases which proceeded to mediation was 25.6 days. The following table shows the mediated cases by utility company.

UTILITY	NUMBER
Commonwealth Edison	3
Peoples Gas	1
Ameritech	0

The number of complaints proceeding to mediation has dropped dramatically during the past two years. During 1995, 50 cases were referred to mediation and in 1996 there were 32 referrals. This year there were 13 referrals, a reduction of about 60% from 1996 level. One-third of

cases referred to the mediation coordinator, were settled between the customer and the utility company and thus did not proceed to mediation.

Customers who have been referred to mediation continue to have the option of filing a formal complaint to pursue their complaints. Three of the 13 customers referred to the mediation coordinator filed formal complaints. Of these one case was dismissed; in another the hearing examiner's proposed order is to deny the complaint; and, the third case is awaiting a decision.

Formal Complaints

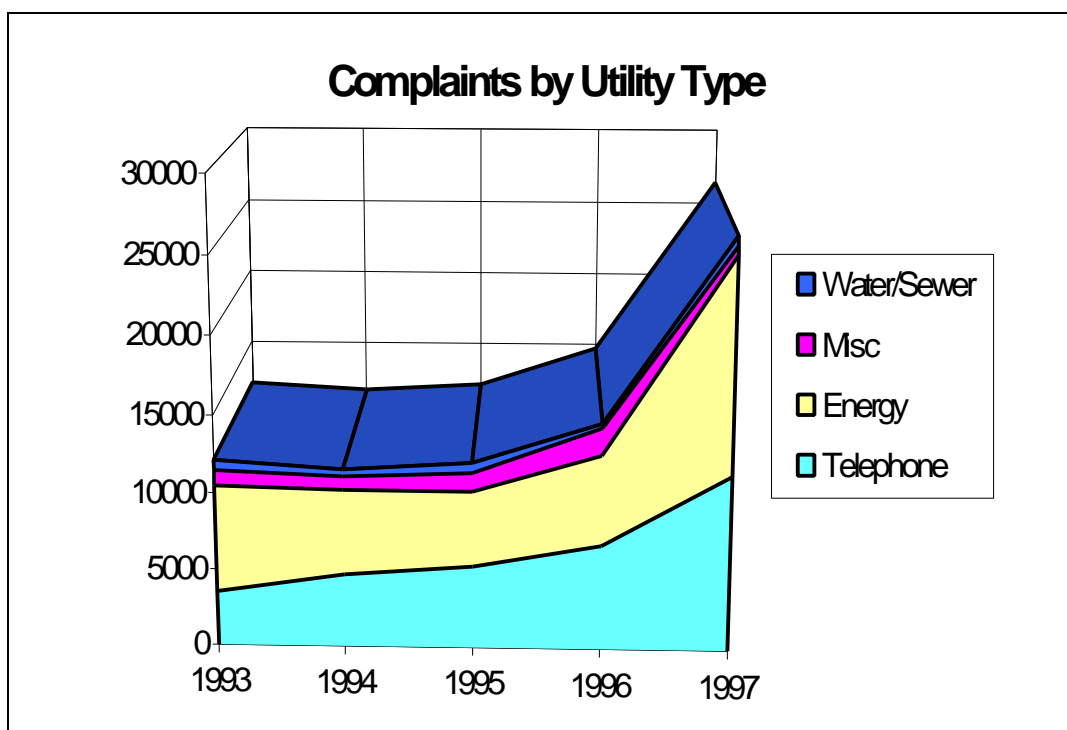
If a resolution is not reached through the informal process (including mediation), the consumer may then file for a formal hearing. After the fully completed forms are submitted to the Commission, a hearing is scheduled. The hearing, similar to a court hearing, takes place before a Commission Hearing Examiner. The Hearing Examiner considers the testimony presented, reviews the evidence, and makes a recommendation to the Commissioners for their consideration.

During 1997, 106 customers indicated that they would file a formal complaint; 29 formal hearings were actually docketed. The 1997 formal complaint level is comparable to previous years despite the overall increased number of complaints.

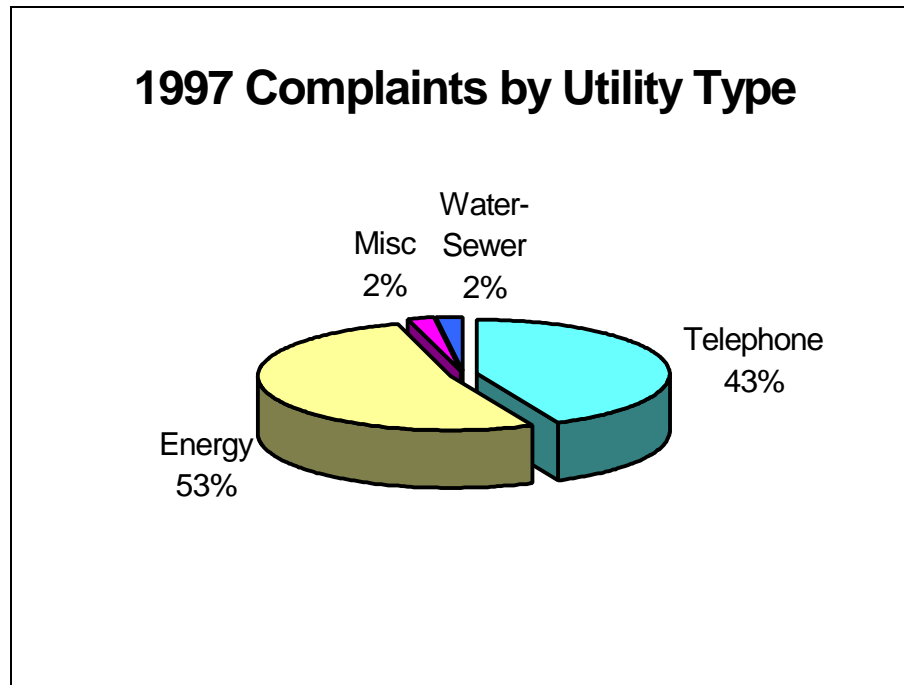
REVIEW OF COMPLAINTS BY INDUSTRY

This section addresses and highlights trends in the numbers and types of complaints for each industry. CSD categorizes the complaints it receives according to the following industries: telephone, energy, water/sewer, and miscellaneous. As shown in Graph 4, the numbers of complaints received for each industry varies greatly and has changed somewhat from 1993-1997. Graph 5 shows the complaints by utility type for 1997. Telephone industry complaints comprised 43% of the total number of complaints received during 1997; significant technological changes and deregulation in the industry account for much of the complaint volume. If one considers the energy industry as a whole by combining the gas, electric, and electric/gas complaints, the result is 53% of the total complaints. The water/sewer industry receives the fewest complaints (2%). The miscellaneous category essentially includes companies that are not regulated by the ICC.

Graph 4



Graph 5

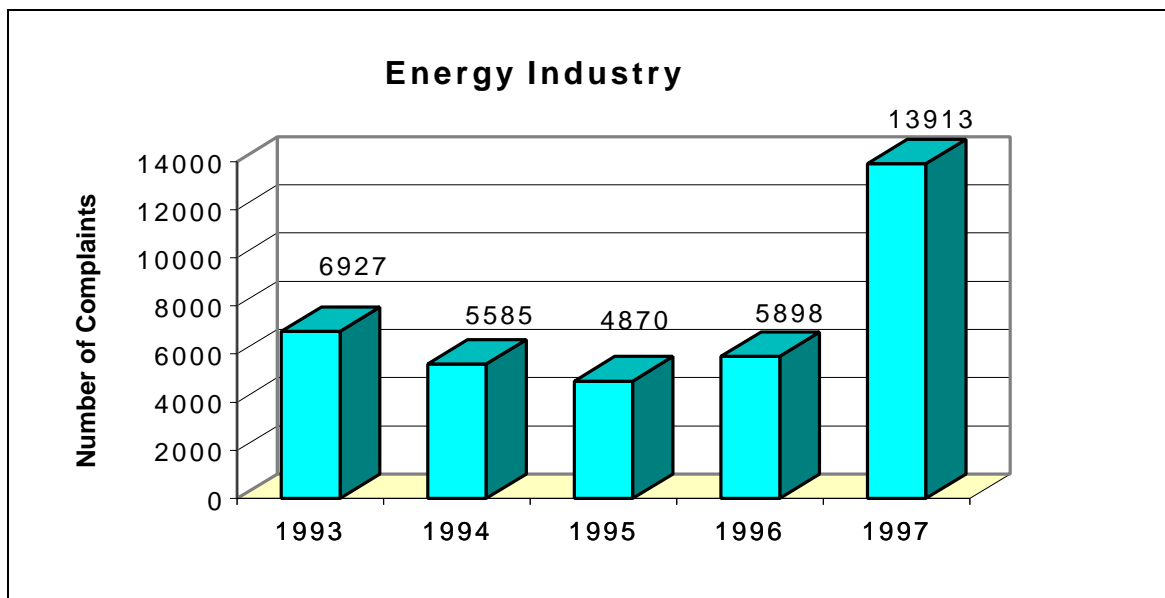


The following pages will focus on three industries: energy, telephone and water/sewer. To clarify, the energy industry is comprised of electric, gas and companies which provide both services (electric/gas). This section includes a five-year tracking of the number of complaints received for each industry, a four-year comparison of the number of complaints received for the major companies in each industry, and a listing of the types of investigative complaints received for each industry. Please note that the five-year tracking of complaints received for each industry includes both investigative and consumer education complaints. The breakdown of the types of complaints received for each industry includes only investigative complaints through May 31 and all complaints for the remainder of the year. Consequently, the total number of complaints received for each analysis will not be equivalent.

ENERGY INDUSTRY

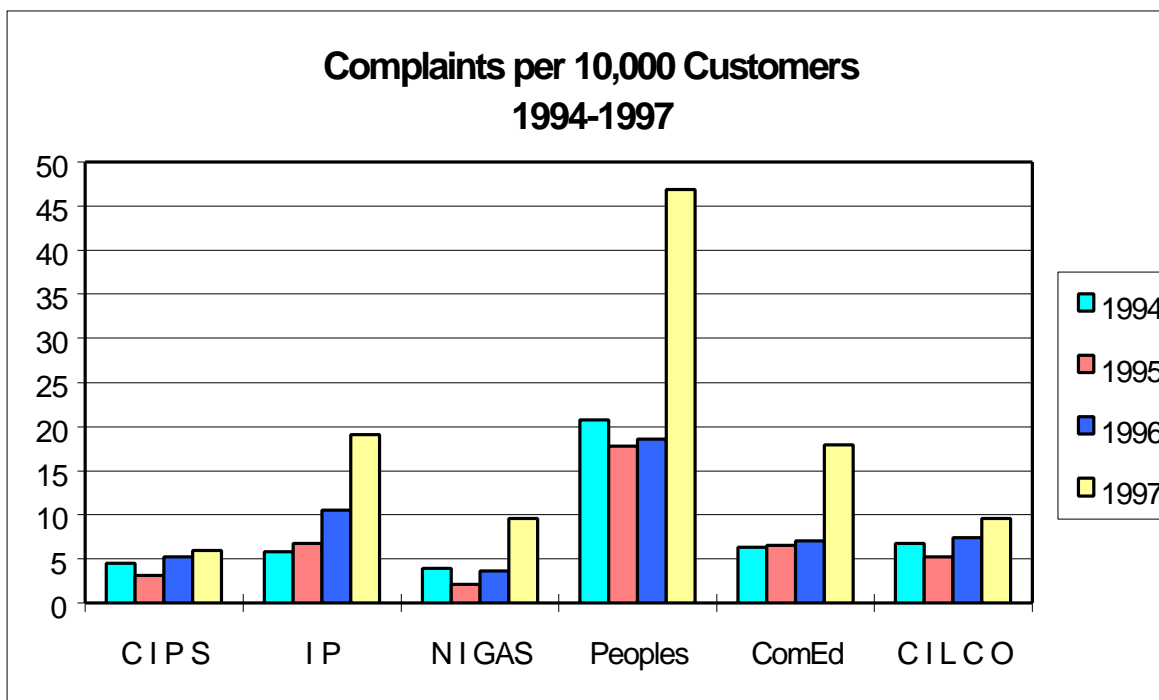
Graphs 6 shows the number of complaints that were received by CSD for the electric and gas companies during 1993 through 1997. The significant increase in 1997 is attributed to the general increase in the call volume due to improved telephone and computer systems.

Graph 6



Graph 7 illustrates the trend in the number of complaints received per 10,000 customers for the major companies in the energy industry.

Graph 7



ENERGY INDUSTRY -- INVESTIGATIVE COMPLAINTS

BILLING	COMPLAINTS
Payment Arrangement	1741
Usage-Consumption	850
Responsibility for Account	609
Meter	339
Accuracy	305
Bill/Statement	137
Payment - general	136
Repair/Service	106
Payment Posting Problem	103
Tampering	52
Extension/Installation dispute	29
SUBTOTAL	4407

TERMINATION	COMPLAINTS
Seeking Reconnection	1770
Medical Certificate	176
Other	90
Procedures	86
Terminated in error	69
Disputed bill/Deposit	63
Tampering	54
SUBTOTAL	2308

CREDIT/DEPOSIT	COMPLAINTS
Deposit Requirement	488
Service Denial	414
Deposit Amount/Conditions	116
Deposit Administration	100
SUBTOTAL	1118

SERVICE	COMPLAINTS
Timeliness of Reconnection/disconnection	291
Timeliness - General	267
Interruptions	192
Conduct of Personnel	180
Service Quality	83
Safety	63
Equipment Problems	63
Extension/Availability	32
SUBTOTAL	1171

RATES	COMPLAINTS
Rate Structure	84
Inquiry	64
Opinion - rate in effect	33
Proposed Rate	3
SUBTOTAL	184

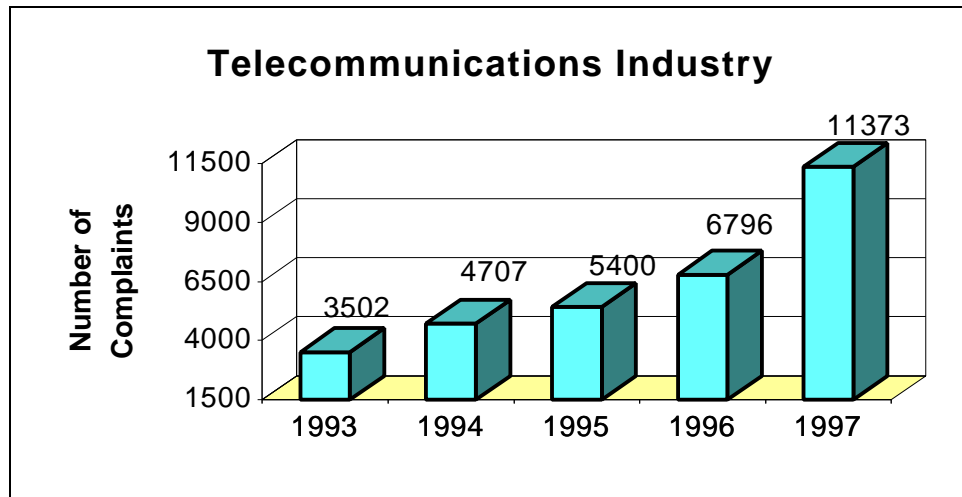
OTHER	COMPLAINTS
Other	285
No jurisdiction	86
Specific Issues	11
SUBTOTAL	382

**TOTAL NUMBER OF INVESTIGATIVE
ENERGY COMPLAINTS: 9570**

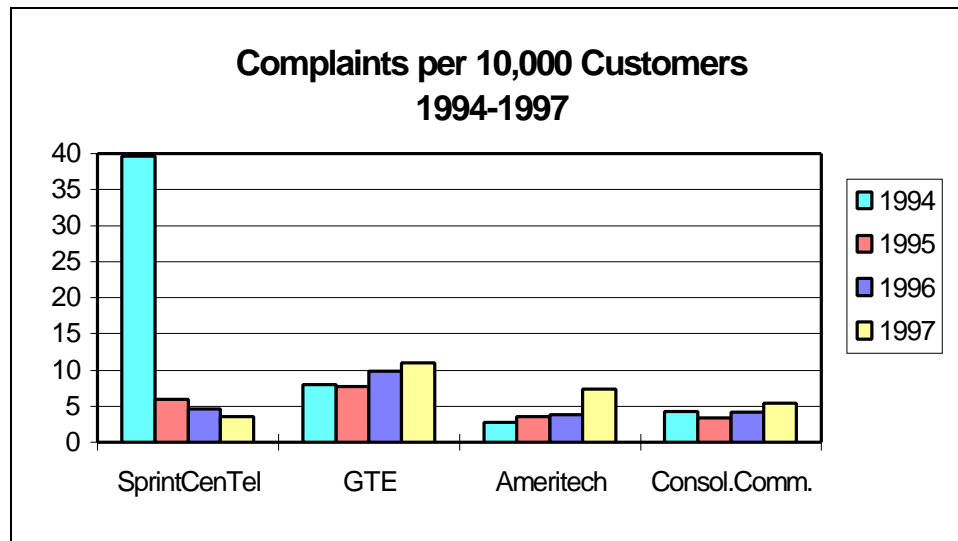
TELECOMMUNICATIONS INDUSTRY

Graph 8 shows the number of complaints that were received by CSD for the telephone industry during 1993 through 1997. The significant increase in 1997 is attributed to the general increase in the call volume due to improved telephone and computer systems. Graph 9 illustrates the trend in the number of complaints per 10,000 access lines that were received for the major telephone companies from 1994 through 1997. The spike in Sprint CenTel's complaints in 1994 was due to a rate increase request.

Graph 8



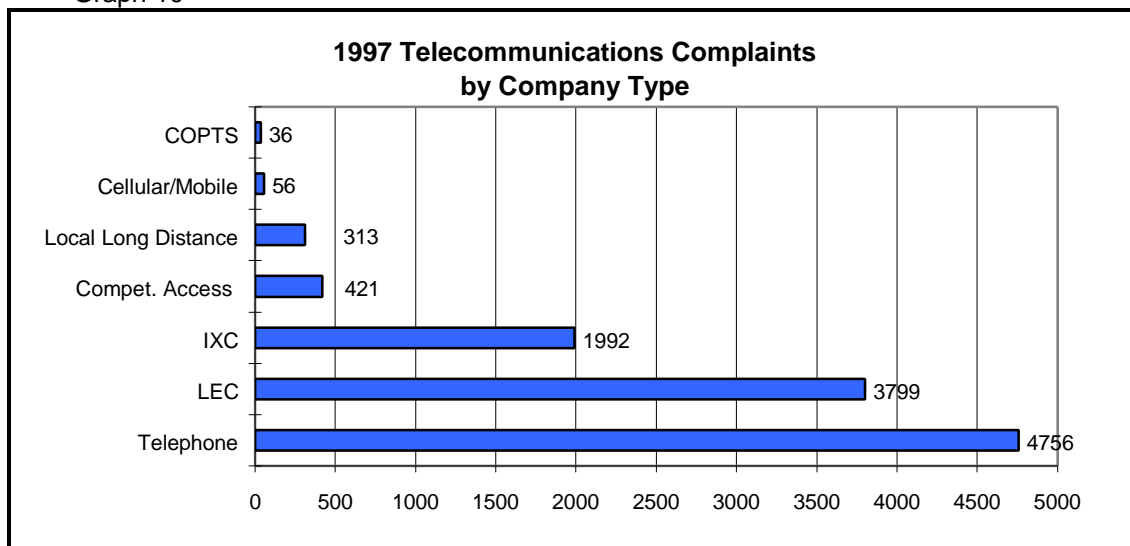
Graph 9



Changes in the telecommunications industry have caused a proliferation of services about which customers can complain or make inquiries. With the

improved complaint tracking system effective June 1, Staff is now able to more accurately reflect the type of service about which we are getting complaints and inquiries. Due to the mid-year change of systems, the data below does not give an accurate annual summary. Many complaints in the "Telephone" category would most likely be assigned to one of the other categories.

Graph 10



Definitions for the above graph:

COPTS - Customer Owned Pay Telephone Service -pay telephones owned and operated by someone other than the Local Exchange Carrier (LEC)

Cellular -Mobile – cellular or mobile service

Local Long Distance - local calls that are made to locations outside the local exchange boundary, but within the Market Service Area (MSA)*

Competitive Access Provider - a company, other than the incumbent Local Exchange Carrier (LEC), that provides access to telephone service

IXC - Inter-Exchange Carrier - a company that provides service between exchanges and between Market Service Areas (MSAs)*

LEC - Local Exchange Carrier - a company that provides local exchange service

Telephone - Complaints that were unable to be placed in specific categories (IXC, LEC, Competitive Access or Local Long Distance) because either the complaint was about more than one issue or a complaint was taken prior to the implementation of the improved complaint tracking process (June 1997)

TELECOMMUNICATIONS INDUSTRY -- INVESTIGATIVE COMPLAINTS

* * Comparable to LATA (Local Access Transport Area)

BILLING	COMPLAINTS
Disputed Bill by Other Company	739
Payment Arrangements	579
Bill Feature not Ordered	495
Accuracy - General	342
Usage/Consumption	241
Responsibility for Account	197
Payment - General	187
Bill Statement	179
Repair/Service	100
Dispute - Rate Classification /Plan	97
Extension/Installation Dispute	25
SUBTOTAL	3181

SERVICE	COMPLAINTS
Unauthorized Change of Service (slamming)	1047
Timeliness of Performed Work	275
Quality	195
Poor performance by Utility Personnel	183
Conduct of Billing Agents/Outside Contractors	160
Availability of Features & Equipment	149
Equipment Problems	57
Service Interruptions	57
Service Extensions	26
Safety	11
SUBTOTAL	2160

CREDIT & DEPOSIT	COMPLAINTS
Service Denial	161
Deposit Amount/Conditions	22
Deposit Administration	9
SUBTOTAL	192

RATES	COMPLAINTS
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Rate Inquiry	206
Opinion of Rate in effect	205
Rate Structure	167
Proposed Rate Change	28
SUBTOTAL	606

TERMINATION	COMPLAINTS
Seeking Reconnection	228
Disputes	90
Questions	41
SUBTOTAL	359

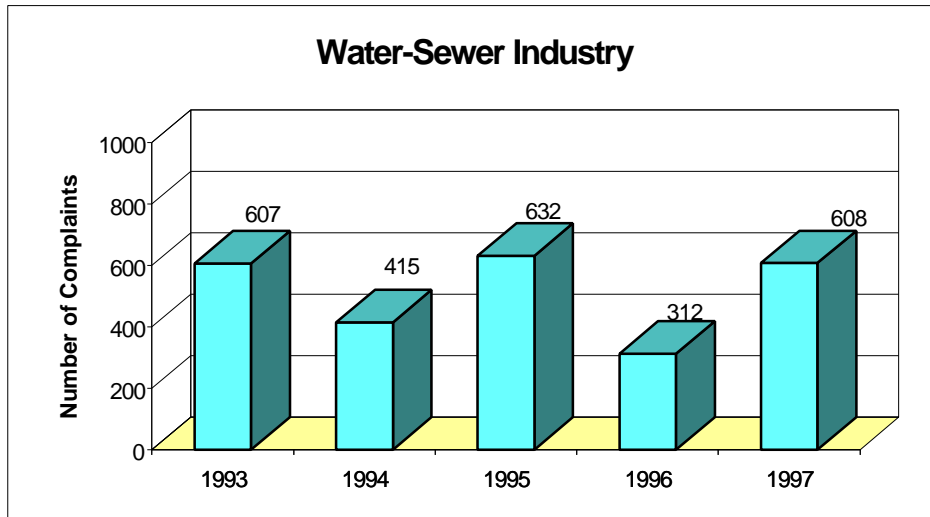
OTHER	COMPLAINTS
Current issues	134
Other	373
No Jurisdiction	287
Concerns - General	127
SUBTOTAL	921

**TOTAL NUMBER OF INVESTIGATIVE
TELECOMMUNICATION COMPLAINTS: 7419**

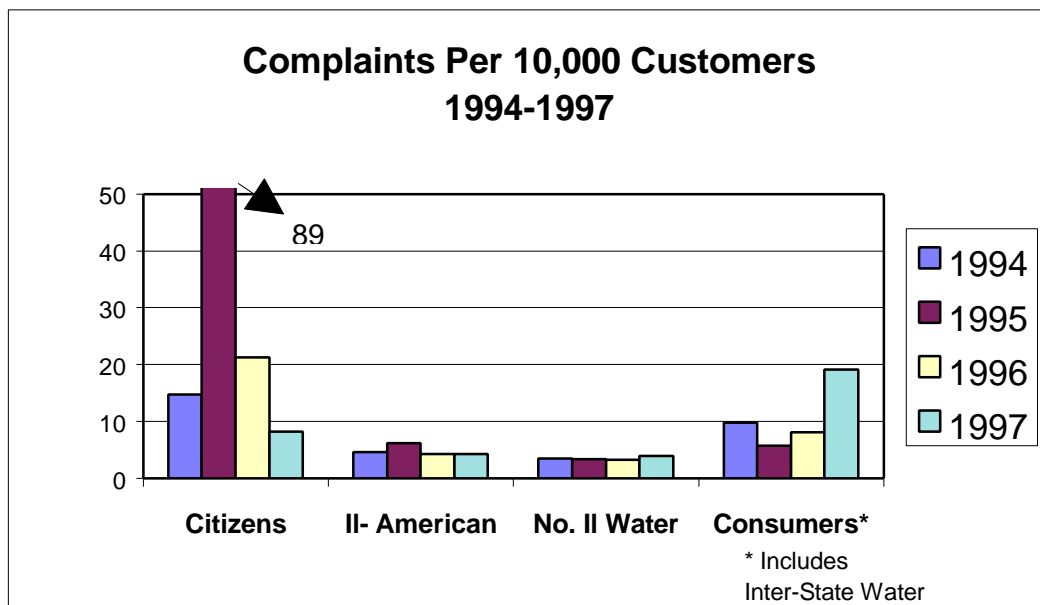
WATER & SEWER INDUSTRY

Graph 11 shows the number of complaints that were received by CSD for the water/sewer industry during 1993 through 1997. Graph 12 illustrates the trend in the number of complaints per 10,000 customers that were received for the major companies in the water/sewer industry from 1994 through 1997. The spike in Citizens Utilities complaints in 1995 was due to a rate increase.

Graph 11



Graph 12



WATER & SEWER INDUSTRY -- INVESTIGATIVE COMPLAINTS

TERMINATION	COMPLAINTS
Seeks Reconnection	12
Procedure	7
Miscellaneous	3
Disputed Bill or Deposit	3
SUBTOTAL	25

RATES	COMPLAINTS
Proposed rate	32
Opinion-rate in effect	14
Rate Inquiries	8
Rate Structure	3
SUBTOTAL	57

BILLING	COMPLAINTS
Payment/billing general	28
Usage/Consumption	22
Payment Arrangements	16
Bill Statement	5
SUBTOTAL	71

SERVICE	COMPLAINTS
Service Quality	13
Conduct of Personnel	13
Service extension	8
Equipment problems/safety/interruption	7
Timeliness of performed service	7
SUBTOTAL	48

CREDIT & DEPOSIT	COMPLAINTS
Denial of Service	5
Deposit amount or conditions	4
SUBTOTAL	9

OTHER	COMPLAINTS
Other	19
No jurisdiction	16
SUBTOTAL	35

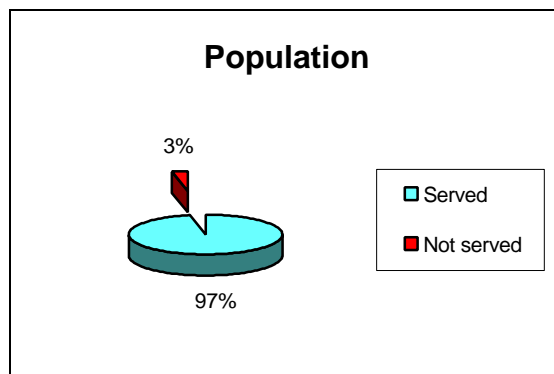
**TOTAL INVESTIGATIVE WATER AND
SEWER COMPLAINTS: 245**

CONSUMER PROGRAMS

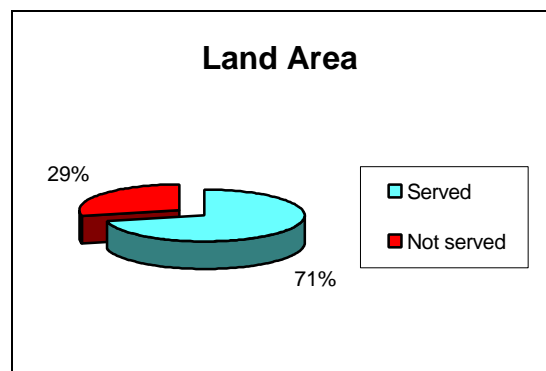
9-1-1

Through the 9-1-1 program, communities and counties establish and operate 9-1-1 emergency telephone service. Prior to Commission approval, the 9-1-1 staff works with the communities throughout the planning process, reviews their implementation plans and participates in the hearings. During 1997, the Commission granted 11 "Orders of Authority to Operate" or "Amending Orders." By the end of 1997, there were 179 Enhanced (E9-1-1) and 19 Basic 9-1-1 systems on line in Illinois. The graphs below show, 97% of the state's population and 71% of the land area are now served with either Basic or Enhanced 9-1-1. A 9-1-1 Status Report is available to provide more details about 9-1-1 systems in Illinois.

Graph 13



Graph 14



The 9-1-1 Act was amended in 1987 to provide municipalities and counties with a means to fund 9-1-1 systems. This is accomplished by imposing a surcharge on the telephone bills of local exchange carrier consumers who live in the area served by the 9-1-1 system. However, communities may impose a surcharge only if it is approved by local referendum.

Municipalities with a population over 500,000, however, may impose a surcharge up to \$1.25 without a referendum. In 1997, five 9-1-1 referendums were approved by the electorate. Out of the five referendums held, 2 of them were to increase existing current surcharges and 3 were first-time referendums. The 1997 figures bring the total number of referendums passed since the General Assembly authorized this funding mechanism to 239. This includes municipalities, counties, first-time and subsequent referendums. Twenty-one counties have not yet passed a referendum to provide E9-1-1 service.

SYSTEMS GRANTED ORDERS IN 1997

DATE	COUNTY	TYPE OF ORDER
January 8	Lee	Order to Operate
February 9	Coles	Order to Operate
February 9	Piatt	Order to Operate
August 13	Scott	Order to Operate
August 27	Lee	Amended Order
August 27	McLean	Order to Operate
September 10	Williamson	Order to Operate
October 8	Union	Order to Operate
October 22	Clark	Order to Operate
December 17	Morgan	Amended Order
December 29	St. Clair	Amended Order

The 83 Illinois Administrative Code Part 725 (Standards of Service Applicable to 9-1-1 Emergency Systems) was adopted in 1979 and amended most recently in 1996. The structural and technological advances in the telecommunications industry have prompted the Staff to consider additional revisions to the Code Part. As a result numerous workshops have been held to listen to the concerns of representatives from the industry, 9-1-1 systems and Staff. When the informal workshops are no longer productive or when all of the issues have been addressed, the Commission will initiate a rulemaking to formally adopt revised rules.

Teletypewriter Distribution and Telecommunications Relay Service

The Commission designed and implemented a program whereby the local exchange carriers (LECs) provide a Teletypewriter (TTY) to persons with hearing and speech disabilities, or organizations whose primary purpose is serving persons with hearing and speech disabilities. The local exchange carriers provide a telecommunications relay service (TRS), which links people who use a TTY and people who use a standard telephone. There is a charge for each subscriber line to offset the costs incurred by the local exchange carriers. The line charge was increased from 7 cents to 8 cents in May 1997.

The TTY distribution program and relay center are administered by the Illinois Telecommunications Access Corporation (ITAC), a not-for-profit corporation which includes all the LECs in Illinois. An Advisory Council comprised of 7 members who are users of the TTY and TRS provide input to ITAC as well as to the Commission Staff Liaison.

Since the program's inception in November 1988, 8,554 TTYs have been distributed. Among the recipients of these devices, 61 not-for-profit organizations have benefited from this program. During 1997, over 1.7 million calls were handled through the relay system, and 399 TTYs were distributed through 19 centers located throughout the state. ITAC distributed 4 TTYs with large visual displays this year, bringing the total to 175. There was 1 telebraille machine distributed this year, bringing the total to 19. The total number of calls processed by the relay service since June 1990 has reached over 8.5 million.

ITAC is in the second year of recalling the old TTYs and replacing them with the Ameriphone TTYs that were purchased last year. The recall will be a three year process. ITAC also developed and produced a video to assist in training people who receive a new TTY. To further assist people with the transition to the new TTY, ITAC published an "E-Z Users Guide", which explains in great detail the basic functions of the new TTY.

ITAC undertook an ambitious advertising campaign this year to promote the use of the Illinois Relay Center to hearing people who might not be aware of its existence or how to use it. Public Service Announcements (PSAs) were developed in 15, 30 and 60 seconds and distributed to 120 broadcast and cable TV stations across Illinois. PSAs and press releases were distributed to 350 chambers of commerce and associations and press releases were sent to 73 daily and 283 weekly newspapers. ITAC received confirmation from 19 television stations, 15 newspapers and 24 chambers of commerce and associations that their information was aired or printed.

In addition, the Associated Press wired the story to all of their outlets across the state.

Universal Telephone Service Assistance Program (UTSAP)

Illinois participates in two telephone assistance programs—the Lifeline Connection Assistance Program (Lifeline) and the Universal Telephone Service Assistance Program (UTSAP). Through the Lifeline program, the National Exchange Carrier Association (NECA) subsidizes 50% of the cost of a customer connection (up to \$30) to the public telephone network. NECA is a general membership organization of exchange carriers that administers these funds. Approximately 560 Illinois subscribers take advantage of the program monthly.

UTSAP, funded by voluntary contributions from Illinois telephone consumers, provides supplemental assistance to individuals who receive assistance from the Lifeline program. Currently, in addition to the 50% waiver, \$10 supplemental assistance is applied to the consumer's installation charge. The amount of supplemental assistance is reviewed on an annual basis by the Commission according to the level of voluntary contributions.

To be eligible, recipients must currently receive benefits from one of the following programs offered by the Illinois Department of Public Aid: Aid to Families with Dependent Children (AFDC), Aid to the Aged, Blind, and Disabled (AABD), General Assistance, the Refugee/Repatriate Program, Food Stamps, and the Medical Assistance Program. UTSAP is administered by a not-for-profit Universal Telephone Assistance Corporation (UTAC). The UTAC Board of Directors has 9 members consisting of 5 representatives from local exchange companies, 2 members representing ratepayers, and 2 members representing low-income consumers.

On January 23, 1997, UTAC filed a petition with the Commission requesting authority to implement a monthly assistance program aimed at two limited groups of low income customers. However, in June 1997, the Federal Communications Commission ("FCC") implemented new rules addressing universal service, which among other things, implemented a federal Lifeline monthly assistance program, effective January 1, 1998. In light of the FCC's new Lifeline program, UTAC concluded that the monthly assistance program that it had proposed no longer represented the most effective use of its limited contributed funds. Accordingly, UTAC requested that the Commission issue an order dismissing its monthly assistance petition. The Commission granted UTAC's request, and dismissed that proceeding by an Order in Docket No. 97-0067 issued October 1, 1997.

The following table shows the number of recipients and voluntary contributions to the program since 1993. The program wasn't officially activated until March 1993 and, as such, the level of contributions increased dramatically from 1993 to 1994 as the public awareness of the UTSAP program increased. Contributions have leveled off since 1995. UTAC feels that the steady decline in the number of recipients indicates that the goal of connecting eligible participants to the public switched network is being met.

DATE	RECIPIENTS	CONTRIBUTIONS
1993	15,267	\$242,997
1994	26,634	\$1,015,726
1995	24,000	\$801,423
1996	10,249	\$882,014
1997	6,720	\$855,600

On May 7, 1997, the FCC issued its Report and Order (FCC 97-157) in CC Docket 96-45, Federal State Joint Board on Universal Service. In the Universal Service Order, the FCC adopted rules in support of telecommunications services provided to low-income consumers, effective January 1, 1998. The remainder of 1997 was spent designating carriers as "eligible telecommunications carriers", so they would be eligible to receive universal service support for providing service to rural healthcare, low-income consumers and consumers located in high cost, rural or insular areas; designing the Lifeline and Link Up Programs, and designing verification procedures. 83 Illinois Administrative Code 757 was approved by the Commission on December 3, 1997, as an Emergency Rule, allowing the Commission to implement these programs.

CONSUMER OUTREACH & EDUCATION

During 1997, the Consumer Services Division (CSD) continued to focus a considerable amount of energy and effort toward its consumer outreach and education programs. CSD conducts meetings associated with rate increase requests of small water companies if there is sufficient community interest. The staff is also available to witness meter tests performed by utilities and to make presentations on various consumer and regulatory

matters to consumer groups. To keep abreast of consumer issues and concerns, CSD staff is represented on the Chicago Energy Council, the Department of Commerce and Community Affairs Policy Advisory Council and the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on Consumer Affairs.

The Illinois Commerce Commission has developed a series of publications for consumer education and outreach. The topics include using phones away from home, maximum rates allowed for operator service providers, "900" numbers, and resolving utility problems. A complete list and description of these publications begins on page 30.

The following are specific actions that occurred during 1997:

- The Federal Communications Commission (FCC) called for comments about federal slamming regulations. CSD provided extensive comments.
- During 1997 we have increased the information available through the Commission's web site. Currently the consumer information publications, and CSD's annual report are available. In addition, we plan to increase the information about current issues to advance consumer education. Customers are encouraged to file non-urgent complaints via the web site.
- Consumer Services hosted a workshop to discuss consumer protection issues prior to electric restructuring legislation. Utilities, community groups and other state agencies were well represented at this workshop. Many of the issues that were discussed were ultimately included in the final legislation.
- Staff made a presentation to a statewide meeting of Legal Services attorneys. The presentation and discussion centered around 83 Ill. Adm. Code Part 280 and concerns they have as they represent their clients.

ON-GOING PROJECTS

New Local Exchange Carriers (LECs)

The number of companies filing with the Commission requesting certification to provide local exchange service, through resale or facilities based service, has increased dramatically in 1997, during which 69

petitions were filed. CSD Staff has participated in all of the “new LEC” proceedings through testimony, cross examination, and/or data requests. CSD’s interest in these cases is to insure that the new service providers meet the requirements of the ICC rules, including the solicitation, collection and remittance of monies for the various programs. The rules which fall within the purview of the Consumer Services Division deal with 9-1-1; TTY distribution; telecommunications relay service; telephone assistance programs; credit, billing and termination of telephone service; pay-per-call services, and preservation of telephone company records. To date, a total of 139 petitions have been filed with the Commission.

Credit Risk Assessment Pilot

Nicor Gas filed a petition (Docket No. 97-0635) in December requesting Commission approval for a waiver of certain deposit rules for a two year period. During this pilot period, Nicor Gas will be able to request deposits based on a risk assessment by a third party.

Low Income Customer Assistance Program

The Commission approved Peoples Gas’ petition (Docket No. 96-0142) for this pilot program on May 8, 1996. The program is designed to provide bill-paying assistance, a positive incentive to develop a regular payment pattern, help reduce collection costs; and potentially reduce bad debt. The pilot will continue for 2 years and periodic reports are filed with the Commission.

Advanced Credit Management Pilot (Docket No. 95-0028 and 97-0216)

The Commission approved (95-0028) variances for certain notice and payment arrangement rules in Part 735 to allow GTE to implement a two-year pilot which allows a customer’s toll service to be blocked when the customer exceeds the established credit limit. To establish credit limits, GTE uses Credit Scoring for new customers and Behavioral Scoring for existing customers. For those residential customers considered to be “medium risk”, the credit limit is \$300 per month; for “high risk” customers, the credit limit is \$200 per month. GTE provided monthly reports to Staff. In May 1997 GTE requested a permanent waiver; an order approving the request was entered in August 1997.

Regulation of Intrastate Pay-Per-Call Services (Docket No. 92-0117)

83 III. Adm. Code Part 772 became effective on November 1, 1994. However, there was an outstanding request to consider expanding the definition of Pay-Per-Call services to include certain other access and abbreviated dialing codes.

Workshops and hearings continued through 1996 during which the concept of abbreviated dialing for information services was discussed. The workshop participants generally agreed that only one dialing format should be set aside for this purpose—either #NXX or NXX#. The parties could not agree on which format was to be used. A final rule became effective January 1, 1998 accepting #NXX as an abbreviated dialing code.

Customer Owned Pay Telephone Service (COPTS) (92-0275)

This docket was opened in July 1992 for the purpose of developing rules (83 Ill. Adm. Code Part 771) for Customer Owned Pay Telephone Service. The Commission had received extensive complaints about pay telephone providers and the Operator Service Providers (OSP) associated with those coin telephones. The regulations in force were set forth in the order in Docket 84-0442. In September 1993, the OSP issues were transferred to a separate docket (93-0335). Staff's proposed rule on COPTS would if approved, make a number of significant changes to the current regulations. The proposed rules would expand the definition of "public pay telephones," improve placarding, and establish a violations procedure which could result in disconnection of service or revocation of the Certificate of Service Authority.

The case was marked "Heard and Taken" in August 1993 and briefs were subsequently filed. The hearing examiner's proposed order was denied by the Commission and on June 7, 1995, the Commission granted a motion to reopen the record for the purpose of determining rules which did not expand the definition of "public pay telephones." Hearings and a workshop have been held. During 1997 legislation was approved which may have an effect on this issue. No final action has been taken.

95-0550 (Revision of Part 280)

83 Ill. Adm. Code Part 280 establishes the procedures for gas, electric, water and sanitary sewer utilities governing eligibility for service, deposits, payment practices and discontinuance of service. On November 7, 1995, the Commission entered an order opening a docket to revise Part 280. Participants representing all interested parties held workshop and participated in ad hoc subcommittee meetings from December 1995 through June 1996. In mid-July Staff notified the participants that future workshops would be delayed because of the ramifications of the legislative initiative on the restructuring of the utility industry. Legislation which would restructure the electric industry was signed by the Governor December 16, 1997. The hearing examiner requested comments on how the parties wished to proceed. (Comments were filed and ultimately the docket was dismissed in April 1998.)

Electric Utility Industry Restructuring

CSD worked with other Division to compile an extensive list of tasks assigned to the Commission in implementing the Electric Service Customer Choice and Rate Relief Law of 1997 (P.A. 90-561). CSD Staff will be involved in many rulemaking and other endeavors during the upcoming year to implement this law, including consumer education, bill disclosures, certification of alternative suppliers and reliability issues.

PUBLICATIONS AVAILABLE

The Illinois Commerce Commission has developed a series of publications for consumer education and outreach. Following is a listing of those which may be of interest to both utility consumers and individuals needing information on the Commission.

InfoCards: (informational postcards) offer utility consumers practical information in an easy-to-read, single sheet format. There are 7 unique InfoCards which address consumers' rights and responsibilities with regards to: 1. Utility Bills; 2. Payment Plans for Utility Service; 3. Disconnecting Utility Service; 4. Reconnecting Utility Service; 5. Deposits for Utility Service; 6. Resolving Your Utility Problems; and 7. Mediation. The post card format allows counselors to rapidly send the necessary information to address customer inquiries in these areas.

InfoPac : (informational packets) provide the identical information as the InfoCard, but in one document. The InfoPac is distributed to consumers who require information on several topics at once. Additionally, the ICC provides copies to local administering agencies which provide intake for the Low Income Home Energy Assistance Program (LIHEAP), to community groups who work with low income consumers and to people who attend consumer forums.

Your Quick Reference Guide to Preparing for a Formal Complaint Hearing: is a consumer's "how-to" guide for preparing for a formal complaint hearing with topics such as: setting the hearing date, obtaining witnesses, supplying the necessary documentation, following the hearing procedures, accepting or appealing the Commission's decision, and filing for a rehearing.

Smart Shoppers Guide to Using Phones Away from Home: informs and cautions telephone users to be aware of charges levied by Operator Service Providers when using telephones away from home. It also addresses the consumers rights to access the carrier of their choice and to be notified of the rates which will be assessed to them.

Rates and Charges for Using an Operator's Service in Illinois: is a postcard which provides the maximum rates per minute for intrastate calls and the maximum surcharges for making operator-assisted calls. In addition, it explains what consumers can do if they have been overcharged.

What You Should Know About Using "900" Numbers: highlights 83 Illinois Administrative Code Part 772 by providing information on pay-per-call services. Topics such as the preamble that the information provider must provide and what will happen if the consumer doesn't pay the bill are among those addressed.

Rights and Responsibilities as an Electric, Gas or Water Utility Customer: provides an extensive overview of the utility consumers' rights and responsibilities; it does not include telephone service.

Where Did You Learn to Talk Like That?: is a dictionary of terms, titles, and phrases frequently used at the Illinois Commerce Commission. It includes terms such as "cogeneration," "docket," "interexchange carrier," "tariffs," etc.

Some Things to Know About the Illinois Commerce Commission: provides information on the organization, function and authority of the ICC. Topics such as rate determinations and consumer protection duties are discussed.

The Ratepayer's Bill of Rights: is a list of ten basic rights all Illinois utility consumers should expect.

Facts About Consumer Complaints: outlines the two basic levels of complaints, informal and formal, which the Illinois Commerce Commission handles.

Facts About the Rate Setting Process: details the difficult task of rate case hearings by the Commission. It gives an overview of the typical concerns and parties involved in rate case, as well as the process of making a determination.